

0044



May 31, 2006

Ms. Pam Grubaugh-Littig  
Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Re: Bond # \_\_\_\_\_

Dear Pam:

Attached are the following documents in accordance with the rider to bond # \_\_\_\_\_ which increased the bond amount from \$2,400,000 to \$3,300,000:

- Exhibit A
- Affidavit of Qualification Surety Company

If you have any questions, please give me a call.

Sincerely,

  
Stacy Carr

Risk Management Department

Enclosures

cc: Vicky Miller, CFC Dugout Canyon

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DIV. OF OIL, GAS & MINING

Bond Number                     

**AFFIDAVIT OF QUALIFICATION  
SURETY COMPANY**

--ooOOoo--

I, Carolyn E. Wheeler, being first duly sworn under oath, deposes and says that he/she  
is the (officer or agent) Attorney-in-Fact St. Paul Fire and  
of Marine Insurance Company;  
and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said  
SURETY COMPANY is authorized to execute the same and has complied in all respects with the  
laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations  
herein.

Carolyn E. Wheeler  
(Signed) Carolyn E. Wheeler, Attorney-in-Fact  
Surety Company Officer - Position

Subscribed and sworn to before me this 8<sup>th</sup> day of May, 2006.



Nancy J. Conrad  
Notary Public Nancy J. Conrad

My Commission Expires  
November 8, 2008.

Attest:

STATE OF Tennessee )

COUNTY OF Knox )

ss:

## EXHIBIT "A"

Pursuant to R645-301-820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA: Plates 1-4, 5-2 and RA Plate 1-1.

Legal description of BONDED AREA:

### Waste Rock Storage Facility

T. 14 S., R. 12 E., SLBM, Utah (Approximately 26.8 acres)

Section 18: Portions of NW1/4NE1/4NE1/4  
Portions of NE1/4NE1/4NE1/4  
Portions of SW1/4NE1/4NE1/4  
Portions of SE1/4NE1/4NE1/4  
Portions of NW1/4SE1/4NE1/4

### Leachfield and Pipeline

T. 13 S., R. 12 E., SLBM, Utah (Approximately 1.8 acres)

Section 22: Portion of SE1/4SE1/4NE1/4SE1/4  
Portion of NE1/4SE1/4NE1/4SE1/4  
Portion of N1/2NE1/4SE1/4SE1/4;  
Portion of SW1/4NE1/4SE1/4SE1/4;  
Portion of S1/2NW1/4SE1/4SE1/4;  
Portion of SE1/4NE1/4SW1/4SE1/4;  
Portion of N1/2SE1/4SW1/4SE1/4;  
Portion of NE1/4SW1/4SW1/4SE1/4;  
Portion of S1/2SW1/4SW1/4SE1/4  
Section 23: Portion of SW 1/4NW1/4NW1/4SW1/4;  
Portion of SE1/4NW1/4NW1/4SW1/4;  
Portion of NW1/4SW1/4NW1/4SW1/4;  
Section 27: Portion of W1/2NW1/4NW1/4NE1/4  
Portion of SE1/4NE1/4NE1/4NW1/4  
Portion of E1/2SE1/4NE1/4NW1/4  
Portion of SW1/4SE1/4NE1/4NW1/4

Main Facilities Area T. 13 S., R. 12 E., SLBM, Utah (Approximately 20.31 acres)

Section 23: A Portion of the following:  
NE1/4NE1/4NW1/4SW1/4; NE1/4NW1/4NW1/4SW1/4;  
NW1/4NE1/4NW1/4SW1/4; SW1/4SE1/4SW1/4NW1/4;  
SE1/4SE1/4SW1/4NW1/4; NW1/4SE1/4SW1/4NW1/4;  
NE1/4SE1/4SW1/4NW1/4; SW1/4SW1/4SE1/4NW1/4;  
SE1/4SW1/4SE1/4NW1/4; NW1/4SW1/4SE1/4NW1/4;  
NE1/4SW1/4SE1/4NW1/4; SW1/4NW1/4SE1/4NW1/4;  
SE1/4NW1/4SE1/4NW1/4; NE1/4NW1/4SE1/4NW1/4;  
SW1/4NE1/4SE1/4NW1/4; NW1/4NE1/4SE1/4NW1/4;  
NE1/4NE1/4SE1/4NW1/4; W1/2SE1/4NE1/4NW1/4;  
SW1/4NE1/4NE1/4NW1/4; NW1/4NE1/4NE1/4NW1/4;  
NE1/4NE1/4NE1/4NW1/4

Section 14: A Portion of the following:  
SE1/4SE1/4SE1/4SW1/4;  
NE1/4SE1/4SE1/4SW1/4;

Bond Number

NW1/4SW1/4SW1/4SE1/4

G-2 Thru G-17 Degas Well, (Approximately 19.1 acres)

G-2	Portion of N1/2SW1/4NE1/4 Section 24	Township 13 South, Range 12 East, SLBM
G-3	Portion of N1/2SW1/4NW1/4 Section 19	Township 13 South, Range 13 East, SLBM
G-4	Portion of N1/2NE1/4NW1/4 Section 24	Township 13 South, Range 12 East, SLBM
G-5	Portion of N1/2NW1/4NE1/4 Section 24	Township 13 South, Range 12 East, SLBM
G-6	Portion of S1/2SW1/4NW1/4 Section 18	Township 13 South, Range 13 East, SLBM
G-7	Portion of SW1/4NE1/4SE1/4 Section 24	Township 13 South, Range 12 East, SLBM
G-9	Portion of NW1/4NW1/4SW1/4 Section 21	Township 13 South, Range 13 East, SLBM
G-10	Portion of NE1/4NE1/4SE1/4 Section 20	Township 13 South, Range 13 East, SLBM
G-11	Portion of NE1/4SE1/4SW1/4 Section 20	Township 13 South, Range 13 East, SLBM
G-12	Portion of SE1/4NW1/4SW1/4 Section 20	Township 13 South, Range 13 East, SLBM
G-13	Portion of NW1/4NE1/4SE1/4 Section 19	Township 13 South, Range 13 East, SLBM
G-14	Portion of SW1/4SW1/4SE1/4 Section 17	Township 13 South, Range 13 East, SLBM

Pace Canyon Fan Facility Township 13 South, Range 13 East, SLBM (Approximately 2.7 acres)  
Section 30: Portion of E1/2NW1/4NW1/4

Total Approximately 71 Acres

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations, or as a result of material surface damage that is caused by a result of subsidence. The described area may also be decreased as a result of partial reclamation.

**IN WITNESS WHEREOF** the **SURETY** has here unto set its signature and seal this

8th day of May, 2006.

St. Paul Fire and Marine Insurance Company  
**SURETY**

  
By: Carolyn E. Wheeler

Attorney-In-Fact  
Title: